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AZ CORP COMMISSION DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman BOB STUMP

BOB BURNS
DOUG LITTLE
TOM FORESE

Arizona Corporation Commission

DOCKETED

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COMMISSION INQUIRY INTO POSSIBLE MODIFICATION OF THE COMMISSION'S HOLDING

15 COMMISSION'S HOLDING COMPANIES AND AFFILIATED

16 INTEREST RULES, A.A.C. ARTICLE 8, R14-2-801 ET SEO.

DOCKET NO. AU-00000A-15-0246

ARIZONA PUBLIC SERVICE COMPANY COMMENTS

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Arizona Public Service Company (APS or Company) welcomes the opportunity to submit comments on the possible modification of the Arizona Corporation Commission (Commission) "Holding Companies and Affiliated Interest Rules" (Rules). These comments are necessarily brief given what the Company believes is the narrow scope of this proceeding.

As APS understands the issue under inquiry in this docket, certain telecommunication companies have suggested they be exempt from the Affiliated Interest Rules (Rules). APS does not have any objection to the rule amendment proposed by the competitive telecommunication companies to A.A.C. R14-2-802(A):

R14-2-802. Applicability

A. These rules are applicable to all Class A investor-owned utilities under the jurisdiction of the Commission and are applicable to all transactions entered into after the effective date of these rules. Notwithstanding the preceding sentence, these rules shall not apply to a telecommunications utility whose retail telecommunications services have been classified as competitive by the Commission pursuant to A.A.C. R14-2-1101 et seq., except as may otherwise be determined by a future Commission order.

However, the Company would oppose any other amendments to the Rules that would have the effect of increasing the affiliate regulation of electric utilities or affect any of the waivers granted by the Commission to APS and Pinnacle West Capital Corporation by Decision No. 61973 (October 6, 1999). For this reason, APS reserves the right to supplement these comments should the scope of this docket expand beyond consideration of the exemption of competitive telecommunications companies from the Rules.

RESPECTFULLY SUBMITTED this 14th day of 10 20 combe; 2015.

Melissa M. Krueger

Attorneys for Arizona Public Service Company

ORIGINAL and thirteen (13) copies of the foregoing filed this 19th day of December, 2015, with:

25 Docket Control

ARIZONA CORPORATION COMMISSION

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